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August 25, 2006

Bayou Group, LLC, Bayou Management, LLC, Bayou Equities, LLC, Bayou Advisors, LLC, Bayou Superfund, LLC, Bayou No Leverage Fund, LLC, Bayou Affiliates Fund, LLC, Bayou Accredited Fund, LLC, Bayou Fund, LLC
c/o Jeff J. Marwil
Sole Managing Member
One IBM Plaza
Chicago, IL 60601

Re: Bayou Group, LLC, et al. ("Debtors")
United States Bankruptcy Court
Southern District of New York
Chapter 11
Case No. 06-22306 (ASH)
Retention as Conflicts Counsel to the Debtors

Dear Mr. Marwil:

Thank you for considering our office respecting the legal needs of the Debtors in connection with the above-captioned Chapter 11 bankruptcy case. We understand that you have authorization (subject to the approval of the Bankruptcy Court) to retain this firm as the sole managing member of each of the Debtors pursuant to an order of the United States District Court for the Southern District of New York dated April 28, 2006.

The following embodies our proposal to provide legal services. Our retention would become effective as of today's date upon the countersigning and returning to me of

a copy of this letter, followed by an order of the Bankruptcy Court approving our retention nunc pro tunc to today's date.

Legal service to be rendered. We will act as the Debtors' conflicts counsel in connection with the preparation of and filing any adversary proceedings or other matters for which the Debtors' primary bankruptcy counsel, Dechert LLP, has a conflict of interest that prevents Dechert LLP from acting on the Debtors' behalf. We will coordinate with Dechert LLP to ensure that there is no overlap in our representation.

There is always the possibility that we may be asked by other persons, present, past or future, to act in their behalf on matters which are not specifically related to our representation of the Debtors. The Debtors agree that we will be under no disability in providing such representation notwithstanding the fact that these other clients may have interests adverse to the Debtors provided our involvement is unrelated to the subject matter of our retention by the Debtors and is unrelated to the Debtors' chapter 11 cases.

Fees. Unless we agree on a different basis for compensation, our charges will be based on the hourly rates for lawyers and staff in effect at the time the services are rendered. Currently the firm's hourly rate for matters which I handle in the Southern District of New York is \$475 per hour. Our current hourly rates for other partners of the firm range from \$325 to \$395 per hour; associates are billed at between \$175 and \$300 per hour; and our paralegal's services are billed at \$125 per hour.

We also charge for out-of-pocket expenses and certain internal charges which we incur in connection with our representation. If you would like further details concerning our usual billings for costs, please let me know. We are able to provide very detailed itemized statements showing work performed in intervals of 1/10 of an hour and showing hourly rates and disbursements in detail.

Please note that in the event of a fee dispute, you may have a right to arbitrate any such dispute pursuant to the provisions of 22 N.Y.C.R.R. Part 1215.

Withdrawal. We reserve the right to discontinue our representation, unless our bills are paid in full and on time within the limitations imposed upon us by the Bankruptcy Court or any other court of competent jurisdiction. Moreover, in the event of our seeking withdrawal for any appropriate cause in any court proceeding, including for breach of this agreement, refusal to cooperate with us, or to follow our advice on a material matter, or any fact or circumstance that would render our continuing representation unlawful or unethical, the Debtors hereby consent to our withdrawal, provided that we comply with any applicable rules of court.

Respective responsibilities. We will provide the Debtors with the services requested consistent with our ethical responsibilities under the law. In turn, the Debtors must promptly notify us of any changes or new facts that materially affect the nature of the services or legal advice we are performing. We will need your cooperation in providing us information, and reviewing and approving documents in a timely fashion.

I also ask that if you are dissatisfied in any way with our services that you let me know promptly.

Finally, I ask that you sign this letter and return it to me immediately.

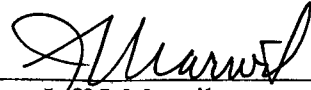
We look forward to this opportunity to work with you.

Very truly yours,



Tracy L. Klestadt

Agreement: Bayou Group, LLC, Bayou Management, LLC, Bayou Equities, LLC, Bayou Advisors, LLC, Bayou Superfund, LLC, Bayou No Leverage Fund, LLC, Bayou Affiliates Fund, LLC, Bayou Accredited Fund, LLC, Bayou Fund, LLC each agrees to the terms and conditions of this letter.

By: 
Name: Jeff J. Marwil
Title: Sole Managing Member

Date: 8.25.06